

Balanced Fund

Monthly Performance Update as at 30 April 2026

To review the fund's investment objective and strategy, fees information and risk indicator please see the funds' product disclosure statement and most recent fund update at www.octagonasset.co.nz/our-funds/balanced-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.76%	-0.93%	8.89%	7.13%	3.91%
Gross Fund Return	1.86%	-0.66%	10.12%	8.35%	5.11%
Composite Index	2.85%	1.05%	12.99%	8.97%	5.35%

*Annualised

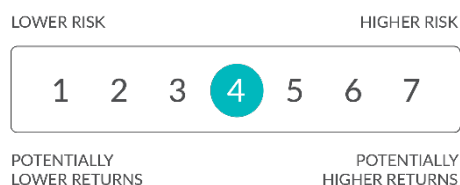
Major investments

Hunter Global Fixed Interest Fund	17.96%
Fisher & Paykel Healthcare Corporation Limited	1.89%
New Zealand Government 1.5% 15/05/2031	1.77%
ANZ transactional bank account	1.39%
New Zealand Government 14/04/2033 3.5%	1.34%
Microsoft Corporation	1.32%
Precinct Properties New Zealand Limited	1.28%
Alphabet Inc. Class A	1.20%
Goodman Property Trust	1.16%
Infratil Limited	1.08%
Major holdings as % of total portfolio	30.37%

Things to note

- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 11 December 2020
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: A composite benchmark relating to the fund's target investment mix
- Currency: New Zealand dollars

Risk indicator**



View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

Manager's comments

How did your portfolio perform?

The Balanced Fund delivered a gross return of 1.86% for the month of April, slightly underperforming the fund's benchmark return of 2.85% by -0.99%.

For the 12 months to the end of April, the Balanced Fund delivered a gross return of 10.12%, underperforming the fund's benchmark return of 12.99% by -2.87%.

Whilst most of our individual asset class managers outperformed their respective benchmarks during the month the Global Equities Fund struggled, with all three of our global equity managers under-performing. We have multiple managers and investment styles to minimise the exposure to just one concentrated idea, however this diversification did not help us this month.

The twelve-month underperformance by our global managers is disappointing; we recently acted by replacing one of those managers in January this year. Please see more on this change in the Global Equities Fund commentary or on our website.

For details on the Balanced Fund's single asset class funds, see the relevant commentary.

We actively manage the fund's foreign currency exposures and hedge the international fixed interest segment of the fund. The New Zealand dollar rose 3.21% against the US dollar and fell -1.68% against the Australian dollar.

What happened in the markets that you invest in?

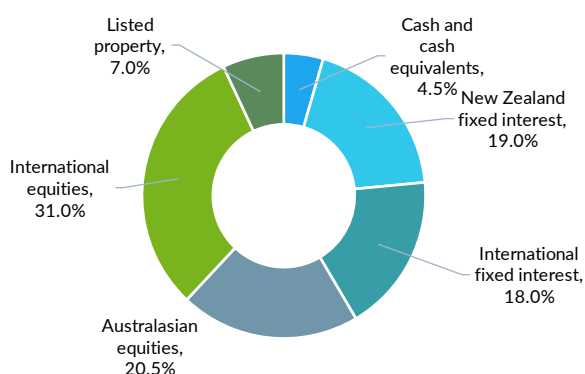
Global equities produced an exceptional return over the month of April, more than reversing the losses driven by the start of the Iranian conflict. Whilst the US was very strong, based on exceptional first quarter earnings season, it was Emerging Markets and Japan that led returns in April. Korea and Taiwan are positively exposed to the data centre and AI boom, and they were amongst the best performers.

The NZ equity market was largely flat – with reporting season not kicking off until May – whilst the Australian market delivered a return just above 2%. Both markets are less exposed to the AI theme, and neither of their respective economies were as strong as the US going into the Iranian conflict.

NZ listed property performed solidly, as investors focused on the defensiveness of their long-term contracted rents against a softer domestic economy.

Cash and fixed interest markets delivered modest positive returns, as the negative impact of the spike in inflation was largely captured in the March returns.

Tactical Asset Allocation



Currency Hedging

As at 30 April 2026

Percentage of the fund exposed to FX risk	39.16%
Value of the fund unhedged (after hedging)	14.25%

What are we thinking about the future?

Last month we noted that a quick end to hostilities would support a rebound. We did not see a peace deal in April, yet global equity markets recovered extremely well. As noted above, US first quarter earnings were materially stronger than our expectations, as was guidance for near term growth.

We have been under-weight global equities on valuation grounds for some time on a tactical basis. Although we have been adding recently as stock returns spread beyond the largest US tech companies, earnings expectations improved and market level returns flatlined. The April move in the market is supported by near term earnings revisions, but valuations are entering “new paradigm” levels for the market leaders, in our view.

Ever-rising profit margins and returns on capital are supportive of higher valuations, but we have been through productivity and new era technology driven growth before. In every single case, high margins have eventually been competed away. We see no sign of a slowing right now, but remain on the lookout for signs that competition will erode returns of these extremely profitable companies.

Other asset classes would all benefit from an enduring peace deal in the Middle East, with valuations currently ranging between fair value and attractive.



Paul Robertshawe, CA
Director, Chief Investment Officer



Christine Smith-Han
Strategy Analyst

Fees

Annual fund charges are currently 1.15% p.a. of the value of your investment. We pay management and administration charges along with the Supervisor fee out of this. All fees and charges are quoted exclusive of GST.

For more information please visit octagonasset.co.nz, email info@octagonasset.co.nz, or call 0800 628 246

[^] Net Fund Returns are calculated before the deduction of taxes and after deduction of fund charges and trading expenses and including imputation credits where available. Gross Fund Returns are calculated before deduction of taxes and fund charges but after deduction of trading expenses and including imputation credits where applicable. Market index returns do not have any deductions for fund charges, trading expenses or tax.

^{**} The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the relevant fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way. The risk indicator is based on the returns data for the five years to 30 April 2026. See more information about the risks of investing in the Product Disclosure Statement.

This publication does not contain financial advice - for financial advice, please speak to your Investment Adviser. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Forsyth Barr Investment Management Limited is the issuer, and Octagon Asset Management Limited the investment manager, of the Octagon Investment Funds. A copy of the Product Disclosure Statement for the Funds is available from www.octagonasset.co.nz/disclosure-information, by contacting your Investment Adviser, or by calling 0800 628 246.